WEEKLY ECONOMIC REVIEW

September 15, 2006

Housing market in Alberta remains strong, driving up the national figures. While growth in housing starts moderated in August, through the first eight months of 2006, housing starts averaged 49,500 in Alberta, significantly contributing to the year-to-date Canadian average of 235,000.

In July 2006, Calgary led the way in the cost of new housing with 4.6 per cent growth, followed by Edmonton with 1.9 per cent. Both cities are experiencing extended construction times, strong demand and land shortages, which further boost the cost of housing.

Canada's manufacturing shipments increased by 0.8 per cent in July 2006 due to strong commodity prices. Alberta's manufacturing shipments increased by 4.6 per cent, led by strength in refining and chemical products.

Motor vehicle sales in Alberta rose by 6.6 per cent in July, reaching a record level of over 21,000 units (seasonally adjusted).

IMF has raised its forecast for global economic growth to 5.1 per cent in 2006 and 4.9 per cent in 2007, but warns of rising risks to global growth coming from high oil prices, inflation and slower U.S. growth.

Cdn Dollar (C¢/US$)

Sep 15, 2006	89.3¢
Sep 8, 2006	89.4¢
2006-07 YTD	89.2¢

WTI Oil $US/bbl

Sep 14, 2006	$63.22
Sep 7, 2006	$67.32
2006-07 YTD	$71.45

Nymex Natural Gas C$/mcf*

September Contract

Sep 15, 2006	$5.47
Sep 8, 2006	$6.43

*Estimate based on Nymex Futures Market Price

US consumer prices rose only 0.2 per cent in August, just half of the 0.4 per cent increase in July, indicating that a slowing economy is dampening inflation.

Natrual gas prices fell to their lowest levels in over two years because of mild winter forecasts and higher-than-expected storage injection. Oil prices declined, reflecting easing Middle East political tensions and falling natural gas prices.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Housing Starts[2]	**August**			
Alberta	45,500	-8.3%	22.0%	27.3%
Canada	213,700	-9.6%	4.4%	5.1%
New Housing Price Index (1997=100)	**July**			
Alberta	219.8	2.8%	48.3%	33.6%
Canada	153.3	0.9%	11.6%	8.9%
Manufacturing Shipments ($ Millions)	**July**			
Alberta	5,671	4.6%	17.2%	12.0%
Canada	49,891	0.8%	3.1%	1.0%
Canadian International Trade ($ Millions)	**July**			
Exports	38,476	2.1%	3.8%	4.1%
Imports	34,613	3.1%	6.1%	4.0%
Trade Balance	3,863	-6.8%	-13.2%	5.4%

Source: Statistics Canada and Canadian Mortgage and Housing Corporation

[1]Year-to-date 2006 compared to the same time period in 2005. For example: January-August 2006 versus January-August 2005

2 Seasonally Adjusted at Annual Rates